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HOUSE BILL 1275

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Joseph Cervantes

AN ACT

RELATING TO THE UNIFORM COMMERCIAL CODE; PROVIDING FOR
JURISDICTION AND JUDICIAL FORUM TO GOVERN LEASE OR RENTAL
CONTRACTS; LIMITING INDEMNIFICATION BY A PARTY OF A LEASE TO
ANOTHER PARTY OF THAT LEASE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 55-2A-106 NMSA 1978 (being Laws 1992,
Chapter 114, Section 13) is amended to read:

"55-2A-106. LIMITATION ON POWER OF PARTIES TO [CONSUMER]
A LEASE TO CHOOSE APPLICABLE LAW AND JUDICIAL FORUM.--

[~~(1)~~] A. If the law chosen by the parties to a
[~~consumer~~] lease is that of a jurisdiction other than a
jurisdiction in which the lessee resides at the time the lease
agreement becomes enforceable or within thirty days thereafter
or in which the goods are to be used, the choice [~~is not~~

underscored material = new
[bracketed material] = delete

1 enforceable] of law provision is void and unenforceable and
2 against the public policy of the state.

3 [~~2~~] B. If the judicial forum chosen by the
4 parties to a [consumer] lease is a forum that would not
5 otherwise have jurisdiction over the lessee, the choice [is not
6 enforceable] of judicial forum provision is void and
7 unenforceable and against the public policy of the state.

8 C. A provision in a lease or rental contract that
9 requires one party to the lease or rental contract to
10 indemnify, hold harmless, insure or defend the other party to
11 the lease or rental contract, including the other party's
12 employees or agents, against liability, claims, damages, losses
13 or expenses, including attorney fees, arising out of bodily
14 injury to persons or damage to property caused by or resulting
15 from, in whole or in part, the negligence, act or omissions of
16 the indemnitee, its officers, employees or agents, is void and
17 unenforceable and against the public policy of the state.

18 D. A provision in a lease or rental contract that
19 may contain an indemnification provision that shall be enforced
20 only to the extent that it requires one party to the contract
21 to indemnify, hold harmless or insure the other party to the
22 contract, including its officers, employees or agents, against
23 liability, claims, damages, losses or expenses, including
24 attorney fees, only to the extent that the liability damages,
25 losses or costs are caused by or arise out of the acts or

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1 omissions of the indemnitor or its officers, employees or
2 agents.

3 E. As used in this section, "indemnify" or "hold
4 harmless" includes any requirement to name the indemnified
5 party as an additional insured in the indemnitor's insurance
6 coverage for the purpose of providing indemnification for any
7 liability not otherwise allowed in this section."

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